**Statement**

(a) to (c> Foreign bank* operating in the country are required to comply with the statutory requirements contained in Banking Regulation Act, 1949, Reserve Bank of India Act, 1934, and other relevant statutes. The Reserve Bank of India (RBI) are responsible for supervision, control and monitoring of the functions of foreign banks as in the case of other scheduled commercial banks The working of foreign. banks in India is also reviewed by RBT each year on the basis of the information available from their balance sheets, statutory reports and other returns received from them. The foreign banks in India are inspected by RBI at intervals of two years. The system of inspection is elaborate and aims at examination of all aspects of a bank including quality of management, operational and business strategies credit portfolios and assessment of problem credits.

SHRI SHIV PRATAP MISHRA: Ma-dsim Deputy Chairman. I would like to know from the hon. Finance Minister, through you. whether it is a fact that most of the foreign banks fix their own rates of interest on the deposits and loans in violation of the guidelines fixed by the Reserve Bank of India thus dis-ttirbing the uniformity in the interest rates of other banks. This arbitrary functioning of the foreign banks is highly detrimental to our nationalised banks. May T know from the hon. Minister whether the Government is aware of this fact. And if so, what steps are contemplated to ensure that the Reserve Bank of India's norms are not violated?

THF MINISTER OF FINANCE (SHRT MANMOHAN SINGH); Madam the foreign banks as well as the Indian banks are expected to comply with the rates of interest as stipulated by the Reserve Bank and T have not come across any violation of that by the foreign bunks.

SHRI SHIV PRATAP MISHRA: The foreign banks, as we have observed, have a tendency to turn themselves into exclusive preserves of their vested interests in matters of recruitment, dis-cursement of loans and patrcnisatjon. This tendency, if not checked property, may lead to unhealthy practices. May [ know from the hon. Minister if, in keeping with his policy of openness, suitable measures are being takes to ensure that the foreign banks do not remain to be the exclusive domains of their privileged patrons but are open *to* the benefit of the common man of the country?

SHRI MANMOHAN SINGH; Madam. it goes without saying that the foreign banks have to function in this country within the four corners of our laws. Therefore, whatever laws we have, they have to abide by those laws.

श्री चतुरानन मिश्र : मैं वित्त मंत्री जी से जानना चाहता हूं कि जानकीरमन कमेटी रिपोर्ट के मुताबिक जो सेक्योरिटी का बिजनैस है उसका मेज्योरिटी हिस्सा, उसका बहुत बड़ा हिस्सा फोरेन बैंक्स ने हथिया लिया है तो क्या यह अशुभ संकेत नहीं है ?

SHRI MANMOHAN SINGH: 1 would say that this matter is going to be investigated. We have ordered a special audit of the four banks which account for the major proportion of this securities transaction. Until then [ don't want to pass a judgement.

**Reeonetitution of boards of AT&IA**

*S6. SHRIMATI RATAN KUMARI;
SHRI CHATURANAN MISHRA:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether it is a fact that the Boards of Air India and Indian Airlines have been reconstituted recently; and

†The question was actually asked on the floor of the House by Shrimati, Ratan Kumari.

(b) If so, what are their composition and what criteria had been adopted in selecting the members of the new Boards?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION AND TOURISM (DEPARTMENT OF CIVIL AVIATION (SHRI M. O. H. FAROOK): (a) Yes, Sir.

(b) A statemant is laid on the table of the House.

**Statement**

*Composition of the Board of Directors of Air India and Indian Airlines with effect front* 1-7-1992

| Air India | Indian Airlines |
|---|---|
| 1. Chairman and Managing Director Air India. | 1. Chairman and Managing Director, Indian Airlines |
| 2. Chairman and Managing Director, Indian Airlines. | 2. Chairman and Managing Director, Air India. |
| 3. Joint Secretary, Department of Civil Aviation. | 3. Joint Secretary. Department of Civil Aviation. |
| 4. Director General, (Tourism). | 4. Director General, (Tourism). • |
| 5. Prof. A.M. Khusro | 5. Shri Sanjiv Goenka |
| 6. Shri K.R. Punia | 6. Shri Vinay Modi |
| 7. Shri Anup Singh | 7. Shri Ahmao Patel |
| 8. Shri Aditya Birla | 8. Shri B.S. Ranjoowalia |
| 9. Shri Jeefender Prasad | 9. Shri Subhabrata Basu |
| 10. Shri Shyarn Bhartiya | 10. Shri Ashok Jain |
| 11. Mrs. Jaya Bachhan | 11. Shri Amar Singh |
| 12' Shri K.M. Mamman | 12. Shri R.P. Mittal |
| 13. Shri A.C. Muthiah | 13. Smt. Sumati Orson |
| 14. Shri Vithal Bhai Patel, Sagar (MP). | 14. Shri R.P. Panika |
| 15. Shri Beekabhai, Ex-MP. | 15. Shri J.P. Gupta (Advccale) |

*Criteria adopted in the selection of members for the new Boards*

Representation is given amongst others, to persons reflecting consumer, industry and academic interest to ensure high lavel interaction with persons from different fields of public life.

श्रीमती रत्न कुमारी : मैडम, सरकार ने इंडियन एयर लाइन्स और एयर इंडिया के बोड का जो पुनर्गठन किया है उनके मेम्बरों का चयन किसी चयन के द्वारा किया गया है या उसके मेम्बर सरकार द्वारा नोमिनेट किये गये हैं?

नागर विमानन और पर्यटन मंत्री (श्री माधवराव सिंधिया) : मेम्बर बोर्डों की नियुक्तियां सरकार के द्वारा की जाती हैं । उसमें चयन समिति के द्वारा कोई प्रक्रिया नहीं होती, गवर्नमेंट नियुक्तियां करती है और एपायंटमेंट कमेटी ऑफ केबिनेट करती है ।

श्रीमती रत्न कुमारी : क्या सरकार ने पिछले तीन वर्षों में इन बोर्डों में मेम्बरों की नियुक्तियों के बारे में कोई शर्तें रखी हैं या नये नियम बनाये हैं । क्या नव गठित मेम्बर उन शर्तों पर पूरे उतरते हैं ?

THE DEPUTY CHAIRMAN: Question Hour is over now.

## WRITTEN ANSWERS TO QUESTIONS

### Power projects pending with Government for clearance

*87. SHRI PRABHAKAR B. KORE; Will the Minister of POWER be pleased to state:

(a) whether it is a fact that some power projects are pending with Govern ment for clearance;

(b) if so, what is the number thereof;

(c) by what time, these projects will be cleared:

(d) whether Government are giving any financial assistance for these pro jects; and

(e) if so, what are the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI KALP-NATH RAI): (a) and (b) 99 Generation projects and 71 transmission projects are pending with the Government for various clearances.

(c) Most of the schemes are pending for approval due to non-submission of reauisite replies/clarifications from the concerned projects authorities. Meetings are arranged with the project authorities to discuss the outstanding issues to enable their early settlement for expeditious completion of the appraisal of the pro jects. Further action fur techno-econo mic approval by Central Electricity Au thority is taken up after raceipt of re quisite replies from project authorities and resolution of inter-state aspects, if any.

(d) and (e) Central assistance is allocated to the States on the basis of modified Gadgil Formula in the form of block loans/grants and is not alloca ted to specific projects/programmes.

### Setting up of a subsidiary in London by SBI

*88 SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India has decided to set up its subsidiary in London;

(b) if so, what are the details thereof,

(c) whether it is also a fact that the Bank of England has prescribed new conditions for tha setting up of a subsidiary by the State Bank of India; and

(d) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (d) State Bank of India (SBI) have proposed to set up a wholly owned subsidiary with head quarters at London to take advantage of the European Market integration. After obtaining the approval of the Reserve Bank of India (RBI), SBI submitted a business plan for the proposed subsidiary to the Bank of England in January, 1992. The proposal subsidiary will be a whole sale banking out fit concentrating on areas such as syndicated lending money and capital markets